

EMPLOYEE BENEFITS SUMMARY
PLAN YEAR OCTOBER 1, 2003 - SEPTEMBER 30, 2004

This sheet is a summary of the benefits provided to City of Frisco employees. Benefits are available for full time employees and regular part time employees working 30 hours or more. If there are differences between this information and the plan documents or City Directives, the plan documents and City Directives will govern the administration of benefits. This information does not guarantee any benefits or employment with the City of Frisco.

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HEALTH INSURANCE: Medical and Dental Insurance coverage begins on the 1st of the month following 30 eligible days of hire. Cigna Healthcare is the current medical insurance provider. The dental insurance provider is Metropolitan Life Insurance (MetLife). The City pays 100% of the cost for HMO medical and dental coverage for full-time employees. Part-time employees pay 25% of the cost for employee insurance. Employees may be eligible for a \$30 monthly credit towards medical premiums if they decline dental coverage. The City picks up 30% of the cost of medical and dental benefits if the employee chooses to insure dependents. The bi-weekly rates (taken from 24 paychecks only) are as follows:

COVERAGE	MEDICAL INSURANCE			DENTAL INSURANCE
	CIGNA HMO	CIGNA PPO - LOW	CIGNA PPO- HIGH	METLIFE DENTAL
Employee only (Full-Time)	\$0.00	\$7.50	\$12.50	\$0.00
Employee only (Part-Time)	\$34.83	\$49.55	\$54.65	\$2.66
Employee & Spouse	\$99.48	\$149.01	\$168.57	\$7.09
Employee & Children	\$97.46	\$138.38	\$165.51	\$13.27
Employee & Family	\$197.96	\$289.13	\$323.12	\$19.04

VISION INSURANCE: The City of Frisco provides vision insurance through the TruVision plan, which has both in-network and out-of-network options. In-network vision care is provided through the SPECTERA provider network (AIG - American General Insurance). For in-network vision benefits employees pay the full premium which includes a \$10 co-pay for an eye exam once every 12 months; \$20 co-pay for materials (including new lenses every 12 months and new frames once every 24 months); \$105 is covered for cosmetic contact lenses (in lieu of eyeglass lenses and frames). For out-of-network benefits, employees pay the full premium for the vision services and submit receipts to Spectera for reimbursement. The bi-weekly rates are as follows:

VISION COVERAGE	IN-NETWORK PLAN RATES
Employee Only (Full-Time)	\$3.87
Employee Only (Part-Time)	\$3.87
Employee & Spouse	\$ 7.17
Employee & Children	\$ 7.17
Employee & Family	\$ 10.47

FLEXIBLE SPENDING ACCOUNT PLAN: The Section 125 Flexible Spending Account plan is administered by Acclaim Benefits and helps employees save money for health care and dependent care expenses. This benefit allows employees to deduct money from their paychecks for the following:

1. Pretax medical/dental/vision insurance premiums;
2. Health care reimbursement for qualified out-of-pocket health care expenses that are not covered by the insurance (i.e. prescription and office visit co-pays, lab fees, glasses, contacts, dental services);
3. Dependent care expense reimbursement for costs paid to day care and elder care providers.

By electing this benefit, employees are getting tax savings because the cost of these benefits is deducted before taxes.

LONG TERM DISABILITY INSURANCE: The Long-term disability benefit percentage is 60% of your prior monthly salary. The elimination period is 90 days of disability due to the same or related sickness/injury, which must be accumulated within a 180-day period.

AD&D AND LIFE INSURANCE: The City of Frisco pays for a \$25,000 Accidental death and dismemberment policy (AD&D) and a \$25,000 life insurance policy for all covered employees. Police Officers and Fire fighters receive additional AD&D coverage of \$150,000. AD&D insurance provides specified benefits for a covered accidental bodily injury that directly causes dismemberment (i.e. loss of a hand, foot or eye).

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS): The City participates in the Texas Municipal Retirement System which is a qualified tax-deferred retirement plan. You are automatically enrolled as a member of TMRS when you begin working full-time

or more than 1,000 hours per year. You will have 7% deducted from your paycheck pre-tax, and the City will match member contributions on a 2 to 1 basis. You are vested in TMRS when you earn 5 years of service credit. You are eligible to retire when you are vested and are at least age 60 or if you have 25 years of service credit at any age. In addition, as part of the benefits of the TMRS, the City has elected to include Supplemental Death Benefits which pay your designated beneficiary approximately your current annual salary should you die while employed by the City of Frisco.

RETIREE INSURANCE: The City of Frisco offers insurance to employees after they retire from the City. Retirees must have been employed by the City for five years and have officially retired with TMRS. Retirees will pay 100% of insurance premiums for themselves and their dependents.

DEFERRED COMPENSATION: The City also makes available two 457 Deferred Compensation Plans through ICMA and VALIC for employees who want to defer additional pre-tax money for retirement. Employees may enroll in the Deferred Compensation plan at any time.

PAID LEAVE: As a full-time and regular part-time employee you are eligible for paid leave benefits in accordance with the City Administrative Directive. Below is a summary of leave that is available. Please see the relevant directives for details.

TYPE OF PAID LEAVE	NUMBER DAYS ANNUALLY
Holidays	<ul style="list-style-type: none"> 8 holidays (New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Eve, Christmas Day)
Vacation	<ul style="list-style-type: none"> 15 days per year during the first ten years of employment. 18 days per year after ten years of employment Eligible for use after 6 months of employment Regular PT Employees (less than 10 years seniority) accrue 11.25 days per year; those with more than 10 years accrue 13.5 days per year Fire Shift employees (less than 10 years service) accrue 7.5 shifts per year; those with 10+ years of service accrue 9 shifts per year
Sick Leave	<ul style="list-style-type: none"> 12 days per year Eligible for use after 1 month of employment Regular Part-Time Employees accrue 9 days per year Fire Shift employees accrue 6 shifts per year

DIRECT DEPOSIT: You may choose to have your paycheck deposited directly into your checking and/or savings account(s). You also have the option of splitting your paycheck among different banks and/or accounts. With direct deposit you avoid the hassles of finding time to get to the bank on payday.

CERTIFICATION AND EDUCATION PAY: Police officers and firefighters are eligible for certification pay for Intermediate, Advanced and Masters certification at \$25, \$50, and \$75 per month, respectively. Police officers and firefighters are also eligible for education pay for Associates and Bachelors degrees at \$50 and \$100 per month, respectively.

TUITION REIMBURSEMENT: All full-time employees are eligible for tuition reimbursement after successful completion of their probationary period. The City will reimburse at 100% of state rate for tuition & fees. Employees must make a grade C or better for an Associates or Bachelors degree and a grade B or better for a Masters degree in order to receive reimbursement.

OTHER PROGRAMS AVAILABLE: Free Checking. As a City of Frisco employee, you are eligible for free checking with Community Credit Union and Legacy Bank.

AFLAC SUPPLEMENTAL INSURANCE: Optional supplemental insurance programs are available for interested employees through AFLAC. Four programs are available: (1) Short-term Disability coverage, (2) Cancer coverage (3) Hospital Income coverage and (4) Intensive Care coverage. Additional information is available in the Human Resources department.

If you have questions about your benefits, please contact: The City of Frisco Human Resources Department at (972) 335-1695 Ext 182 or 183.